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# Minnesota Labor Market Review

*June 1991*

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# Minnesota

**Mild Recession Still Lingering**

Despite signs of renewed vigor in retail sales and housing starts, the job market has not followed suit. Payroll employment rose in April, but by less than it usually does, leading to a drop of 2,000 jobs on a seasonally-adjusted basis. It was the fifth fall in the last six months, indicating that the recession is still with us.

Manufacturing rebounded as some of the large firms which laid off workers in droves during the winter months began to call them back. Job growth in manufacturing was the strongest since May of 1990. Other sectors were weak. Construction and trade businesses added far fewer employees during this warm weather pickup, and government jobs, which also typically expand during the spring months didn't this year.

Surprisingly, the unemployment rate is not going up. At 5.0% in April, it stands below its year-ago level -- after nine straight months of being higher. The 12-month average unemployment rate also is at 5.0%, and has stopped rising. There is a good chance that Minnesota's unemployment rate has now peaked. From a 12-month low of 4.0% in December 1988, the rise has been erratic, but not substantial. While the national recessionmay have turned out to be rather average, the same cannot be said for our state.

Minnesota job losses in this recession pale compared to ones in our recent past (table).

While more job losses may occur in the months ahead, their numbers would need to double to equal even the mildest of recent downturns. If the manufacturing upsurge continues, this is unlikely. Meanwhile, job losses in the U.S. have proceeded at the pace of previous recessions and manufacturing has yet to rebound.

**Minnesota Job Losses During Recessions**

| Time Period | Months | Net Job Losses Number | Net Job Losses Percent |
|---|---|---|---|
| Aug '74 to Apr '75 | 8 | -35,000 | -2.3% |
| Dec '79 to Jul '80 | 7 | -32,600 | -1.8% |
| Dec '80 to Nov '82 | 23 | -86,900 | -4.9% |
| Oct '90 to Apr '91 | 6 | -15,400 | -0.7% |

*By Don Hilber*

## Current Labor Force Series

| | Minnesota (In Thousands) Apr 91 | Mar 91 | Apr 90 | % Change From Mar 91 | Apr 90 | United States (In Thousands) Apr 91 | Mar 91 | Apr 90 | % Change From Mar 91 | Apr 90 |
|---|---|---|---|---|---|---|---|---|---|---|
| Labor Force | 2429.0 | 2336.6 | 2,337.3 | -0.3 | 3.9 | 124,727 | 124,443 | 123,816 | 0.2 | 0.7 |
| Employment | 2306.4 | 2298.9 | 2,208.0 | 0.3 | 4.5 | 116.678 | 115,639 | 117,359 | 0.9 | -0.6 |
| Unemployment | 122.5 | 137.7 | 129.4 | -11.0 | -5.3 | 8,049 | 8,804 | 6,457 | -8.6 | 24.7 |
| Actual Unemp. Rate | 5.0 | 5.7 | 5.5 | - | - | 6.5 | 7.1 | 5.2 | - | - |
| Seasonally Adj. Rate | - | - | - | - | - | 6.6 | 6.8 | 5.4 | - | - |

# Minnesota Nonfarm Wage & Salary Jobs, Hours & Earnings

| INDUSTRY | EMPLOYMENT 1/ (thousands) | | | PERCENT CHANGE FROM | | PRODUCTION WORKERS & HOURS & EARNINGS 2/ | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Average Weekly Earnings | | Average Weekly Hours | | Average Hourly Earnings | |
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Apr. 1990 | Apr. 1991 | Apr. 1990 | Apr. 1991 | Apr. 1990 |
| Total Nonfarm Wage and Salary | 2,109.9 | 2,088.6 | 2,109.7 | 1.0 | 0.0 | - | - | - | - | - | - |
| Goods Producing | 461.0 | 451.8 | 474.2 | 2.0 | -2.8 | - | - | - | - | - | - |
| Mining | 8.2 | 7.6 | 7.8 | 7.5 | 4.2 | 668.39 | 624.26 | 43.8 | 43.9 | 15.26 | 14.22 |
| Metal Mining | 6.5 | 6.4 | 6.1 | 1.3 | 7.0 | 705.70 | 646.21 | 44.3 | 43.9 | 15.93 | 14.72 |
| Construction | 67.2 | 60.9 | 73.2 | 10.4 | -8.1 | 672.77 | 626.62 | 38.4 | 38.0 | 17.52 | 16.49 |
| Manufacturing | 385.6 | 383.2 | 393.2 | 0.6 | -1.9 | 461.20 | 442.46 | 40.0 | 39.4 | 11.53 | 11.23 |
| Durable Goods | 218.8 | 216.4 | 229.0 | 1.1 | -4.5 | 475.47 | 453.93 | 40.5 | 40.1 | 11.74 | 11.32 |
| Lumber and Furniture | 21.9 | 20.8 | 22.0 | 5.5 | -0.3 | 483.04 | 492.36 | 37.3 | 37.7 | 12.95 | 13.06 |
| Stone, Clay and Glass | 7.8 | 7.0 | 8.4 | 11.7 | -7.1 | 484.30 | 470.20 | 40.8 | 41.5 | 11.87 | 11.33 |
| Primary Metals | 6.1 | 6.1 | 6.4 | 0.3 | -4.5 | 490.88 | 435.01 | 41.6 | 39.8 | 11.80 | 10.93 |
| Fabricated Metals | 33.5 | 33.4 | 34.6 | 0.3 | -3.1 | 516.66 | 478.72 | 41.7 | 41.7 | 12.39 | 11.48 |
| Industrial Machinery | 73.3 | 73.5 | 77.6 | -0.3 | -5.5 | 511.29 | 455.86 | 41.4 | 39.4 | 12.35 | 11.57 |
| Office and Computing | 32.0 | 32.2 | 34.7 | -0.4 | -7.6 | 533.02 | 467.83 | 43.3 | 40.4 | 12.31 | 11.58 |
| Electronic Equipment | 28.9 | 29.2 | 30.0 | -0.9 | -3.4 | 397.07 | 393.96 | 40.6 | 40.2 | 9.78 | 9.80 |
| Transportation Equipment | 8.7 | 8.1 | 11.2 | 7.6 | -22.3 | 448.82 | 511.29 | 38.1 | 41.4 | 11.78 | 12.35 |
| Instruments and Related | 32.7 | 32.5 | 32.7 | 0.5 | 0.0 | 457.45 | 438.48 | 41.7 | 41.8 | 10.97 | 10.49 |
| Misc. Manufacturing | 5.8 | 5.8 | 6.2 | 0.8 | -6.0 | 389.76 | 412.50 | 38.1 | 37.5 | 10.23 | 11.00 |
| Nondurable Goods | 166.8 | 166.8 | 164.2 | 0.0 | 1.6 | 441.78 | 426.62 | 39.2 | 38.4 | 11.27 | 11.11 |
| Food & Beverage Products | 47.4 | 47.7 | 45.5 | -0.4 | 4.3 | 391.17 | 383.13 | 39.0 | 38.7 | 10.03 | 9.90 |
| Textiles & Apparel | 4.6 | 4.7 | 4.8 | -2.3 | -3.2 | 285.93 | 286.18 | 35.3 | 34.9 | 8.10 | 8.20 |
| Paper Products | 34.4 | 34.4 | 33.6 | 0.0 | 2.2 | 575.53 | 552.28 | 42.6 | 41.4 | 13.51 | 13.34 |
| Printing and Publishing | 52.4 | 52.3 | 51.5 | 0.3 | 1.7 | 418.10 | 419.07 | 37.0 | 36.6 | 11.30 | 11.45 |
| Chemicals and Petroleum | 11.4 | 11.3 | 11.8 | 0.3 | -3.2 | 555.96 | 509.35 | 40.7 | 39.7 | 13.66 | 12.83 |
| Rubber, Plastic & Leather | 16.6 | 16.5 | 17.0 | 0.6 | -2.6 | 425.14 | 377.52 | 40.8 | 38.8 | 10.42 | 9.73 |
| Service Producing | 1,648.9 | 1,636.8 | 1,635.5 | 0.7 | 0.8 | - | - | - | - | - | - |
| Transp., Comm., & Util. | 107.6 | 106.7 | 107.7 | 0.8 | -0.1 | - | - | - | - | - | - |
| Transportation | 73.2 | 72.5 | 73.3 | 0.9 | -0.1 | - | - | - | - | - | - |
| Trucking & Warehousing | 26.2 | 26.1 | 26.8 | 0.6 | -2.1 | 391.95 | 415.74 | 32.5 | 33.5 | 12.06 | 12.41 |
| Communication & Utilities | 34.4 | 34.2 | 34.5 | 0.7 | -0.2 | 634.07 | 599.84 | 38.9 | 38.6 | 16.30 | 15.54 |
| Trade | 505.0 | 499.2 | 510.8 | 1.2 | -1.1 | 244.81 | 236.87 | 28.7 | 29.1 | 8.53 | 8.14 |
| Wholesale | 124.5 | 122.4 | 125.5 | 1.7 | -0.8 | 417.36 | 410.28 | 37.0 | 37.4 | 11.28 | 10.97 |
| Retail | 380.5 | 376.9 | 385.3 | 1.0 | -1.2 | 194.36 | 186.63 | 26.3 | 26.7 | 7.37 | 6.99 |
| Building Materials | 17.7 | 16.8 | 17.7 | 6.0 | 0.4 | 317.30 | 362.11 | 35.1 | 38.4 | 9.04 | 9.43 |
| General Merchandise | 52.4 | 53.3 | 55.6 | -1.7 | -5.7 | 188.23 | 176.75 | 24.8 | 25.0 | 7.59 | 7.07 |
| Food Stores | 54.1 | 53.7 | 53.3 | 0.7 | 1.5 | 212.22 | 194.21 | 26.2 | 27.2 | 8.10 | 7.14 |
| Automotive | 43.2 | 42.7 | 43.2 | 1.2 | 0.0 | 298.38 | 301.66 | 34.1 | 35.2 | 8.75 | 8.57 |
| Apparel | 19.1 | 19.3 | 19.8 | -0.9 | -3.7 | 126.26 | 130.08 | 20.8 | 21.5 | 6.07 | 6.05 |
| Home Furnishings | 14.8 | 14.8 | 15.2 | -0.5 | -3.0 | 287.88 | 275.95 | 31.6 | 32.2 | 9.11 | 8.57 |
| Eating and Drinking | 129.4 | 126.5 | 131.2 | 2.4 | -1.4 | 127.68 | 116.03 | 22.4 | 22.4 | 5.70 | 5.18 |
| Fin., Insur., Real Estate | 125.1 | 124.3 | 123.3 | 0.7 | 1.5 | | | | | | |
| Finance | 56.9 | 56.7 | 56.3 | 0.3 | 1.1 | | | | | | |
| Insurance | 47.1 | 47.1 | 46.1 | 0.0 | 2.1 | | | | | | |
| Real Estate | 21.2 | 20.5 | 20.9 | 3.0 | 1.2 | | | | | | |
| Services | 562.8 | 558.6 | 546.5 | 0.8 | 3.0 | | | | | | |
| Personal Services | 25.7 | 25.7 | 25.5 | 0.2 | 0.9 | | | | | | |
| Business Services | 92.4 | 92.3 | 91.2 | 0.0 | 1.3 | | | | | | |
| Repair Services | 23.5 | 23.7 | 23.1 | -1.0 | 1.7 | | | | | | |
| Health Services | 170.9 | 170.8 | 164.6 | 0.1 | 3.8 | | | | | | |
| Nursing Homes | 43.9 | 43.8 | 43.4 | 0.2 | 1.2 | | | | | | |
| Hospitals | 57.3 | 57.5 | 55.4 | -0.3 | 3.5 | | | | | | |
| Legal Services | 16.0 | 16.0 | 15.6 | 0.2 | 2.4 | | | | | | |
| Private Education | 35.9 | 35.6 | 35.4 | 0.9 | 1.5 | | | | | | |
| Government | 348.3 | 348.0 | 347.1 | 0.1 | 0.4 | | | | | | |
| Federal | 33.9 | 33.7 | 37.0 | 0.5 | -8.6 | | | | | | |
| State | 87.5 | 86.0 | 87.2 | 1.8 | 0.4 | | | | | | |
| Education | 50.2 | 49.0 | 49.6 | 2.6 | 1.3 | | | | | | |
| Local | 227.0 | 228.3 | 222.9 | -0.6 | 1.8 | | | | | | |
| Education | 123.4 | 125.0 | 122.0 | -1.2 | 1.2 | | | | | | |

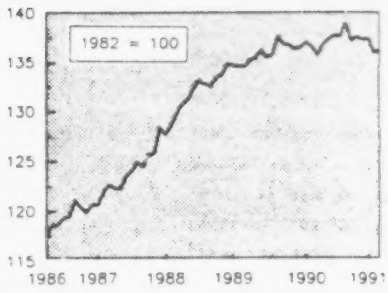
**Note:** Not all industry sub-groups are shown for every major industry category.

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

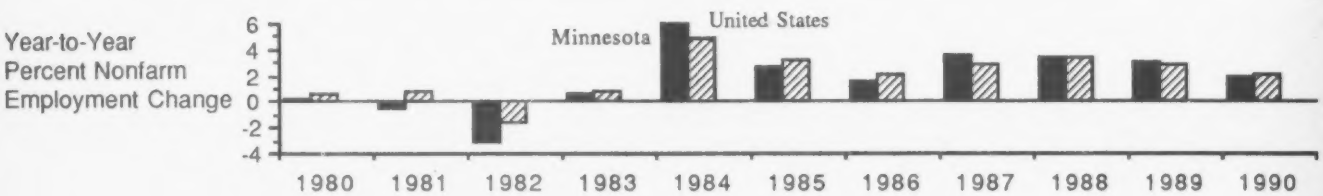
# Economic Indicators

Minnesota's **coincident index** rose slightly from February to March, but is still down from its peak in October 1990. The depth and duration of the decline signals a recession despite recent gains in business startups, sales and housing starts. This index combines and tracks three components of the economy: wage and salary jobs, retail sales and total manufacturing hours. More detail is published monthly in ***Minnesota Economic Indicators***, available by calling (612) 296-6545.




| | | |
|---|---|---|
| 1990 | MAR | 136.5 |
| | APR | 135.6 |
| | MAY | 136.7 |
| | JUN | 137.3 |
| | JUL | 137.6 |
| | AUG | 137.6 |
| | SEP | 138.8 |
| | OCT | 137.1 |
| | NOV | 137.5 |
| | DEC | 137.2 |
| 1991 | JAN | 137.3 |
| | FEB | 135.9 |
| | MAR | 136.0 |
| % Change From | Month Ago | 0.1% |
| | Year Ago | -0.4% |

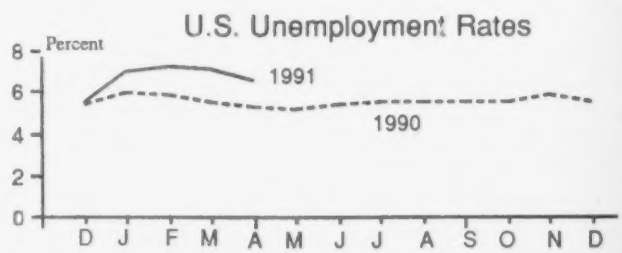
# Historical Labor Force and Payroll Job Series

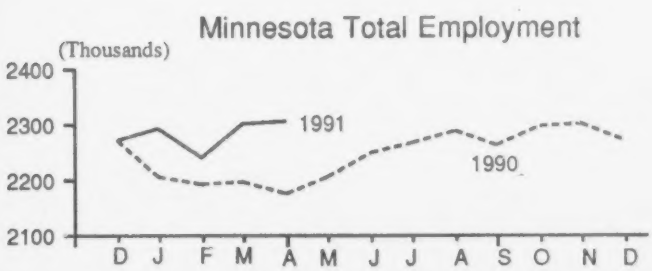


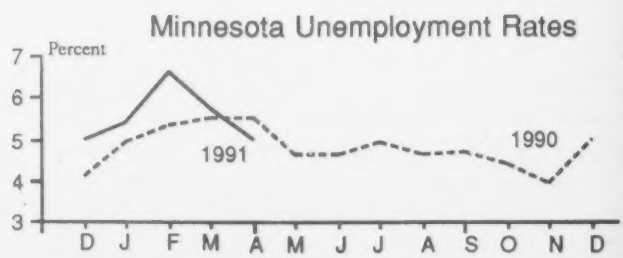

| | (In Thousands) | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Mn** | Labor Force | 2110.0 | 2154.0 | 2167.0 | 2176.0 | 2227.0 | 2233.0 | 2230.0 | 2259.0 | 2327.0 | 2343.0 | 2404.3 |
| | Employment | 1985.0 | 2035.0 | 1998.0 | 1998.0 | 2086.0 | 2091.0 | 2111.0 | 2137.0 | 2233.0 | 2241,0 | 2287.9 |
| | Nonfarm Payroll* | 1770.0 | 1761.3 | 1707.3 | 1718.2 | 1819.8 | 1865.4 | 1893.9 | 1962.5 | 2028.0 | 2086.8 | 2126.4 |
| | Unemployment | 125.0 | 119.0 | 170.0 | 178.0 | 1451.0 | 133.0 | 119.0 | 122.0 | 94.0 | 102.0 | 116.4 |
| | Unemployment Rate | 5.9 | 5.5 | 7.8 | 8.2 | 6.3 | 6.0 | 5.3 | 5.4 | 4.0 | 4.4 | 4.8 |
| **U.S.** | Labor Force | 106940 | 108670 | 110205 | 111550 | 113544 | 115461 | 117835 | 119865 | 121669 | 123869 | 124787 |
| | Employment | 99303 | 100397 | 99526 | 100834 | 105005 | 107150 | 109598 | 112440 | 114968 | 117342 | 117914 |
| | Nonfarm Payroll* | 90406 | 91156 | 89566 | 90200 | 94496 | 97519 | 99525 | 102200 | 105536 | 108413 | 110330 |
| | Unemployment | 7637 | 8273 | 10678 | 10717 | 8539 | 8312 | 8237 | 7425 | 6700 | 6528 | 6874 |
| | Unemployment Rate | 7.1 | 7.6 | 9.7 | 9.6 | 7.5 | 7.2 | 7.0 | 6.2 | 5.5 | 5.3 | 5.5 |

* Total employment is an estimate of the number of working Minnesotans; nonfarm payroll jobs are establishment based and reflect multiple job holding.

# Total Employment & Unemployment Rates, 1990 & 1991



# Forecasts of Real GNP and Minnesota Employment

Our forecasts show slightly improving economic conditions. The national economy, which largely drives economic conditions in Minnesota, is forecasted to grow 2.7% from the second quarter of 1991 (1991:2) through the same quarter of 1992 (1992:2). We see 2.1% growth for the two year period of 1991:2 - 1993:2.

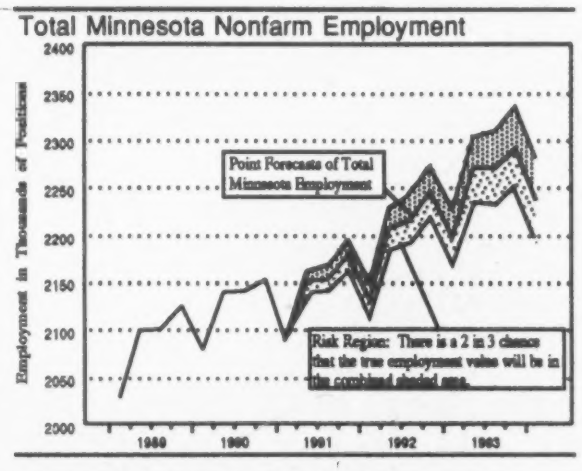
The same is true for Minnesota employment. We forecast growth of 2.7% for 1991:2 - 1992:2, with 2.8% overall.

Employment in durables manufacturing, at 4.4% for 1991:2 - 1992:2, and in services are expected to experience the strongest growth. Construction, at 1.0% for 1991:2 - 1992:1, nondurables and wholesale trade show the slowest growth, although construction shows some improvement (1.8% growth) in the second year.

The table below gives the percent error in our forecasts of RGNP and state employment for 1991:1. The positive value assigned to these errors indicates that the forecasts were too optimistic.

The quarter-by-quarter forecasts running from 1991:2 through 1992:1 provide the point forecast and its standard error computed from a sample of forecasts generated from 1000 random shocks to the system. This is what we defined last time as the risk region.

Our purpose is to indicate the imprecision, which we called risk, inherent in forecasts. The smaller the risk region the more confident we are about the forecast. Roughly speaking, there is a two in three chance that the true value will be in the combined shaded area around the point forecasts (e.g.




between 2138.5 and 2166.0 for Minnesota employment in 1991:3). Conversely, there is a one in three chance that the true value will be outside the shaded areas. Clearly, as the shaded area becomes smaller and smaller, the odds increase that the forecast will be closer to the actual value.

These forecasts are the result of an expanded forecasting model. Risk regions associated with the forecasts from our new model are somewhat smaller than those from the model used up to this time. To that extent, readers can place more confidence in them.

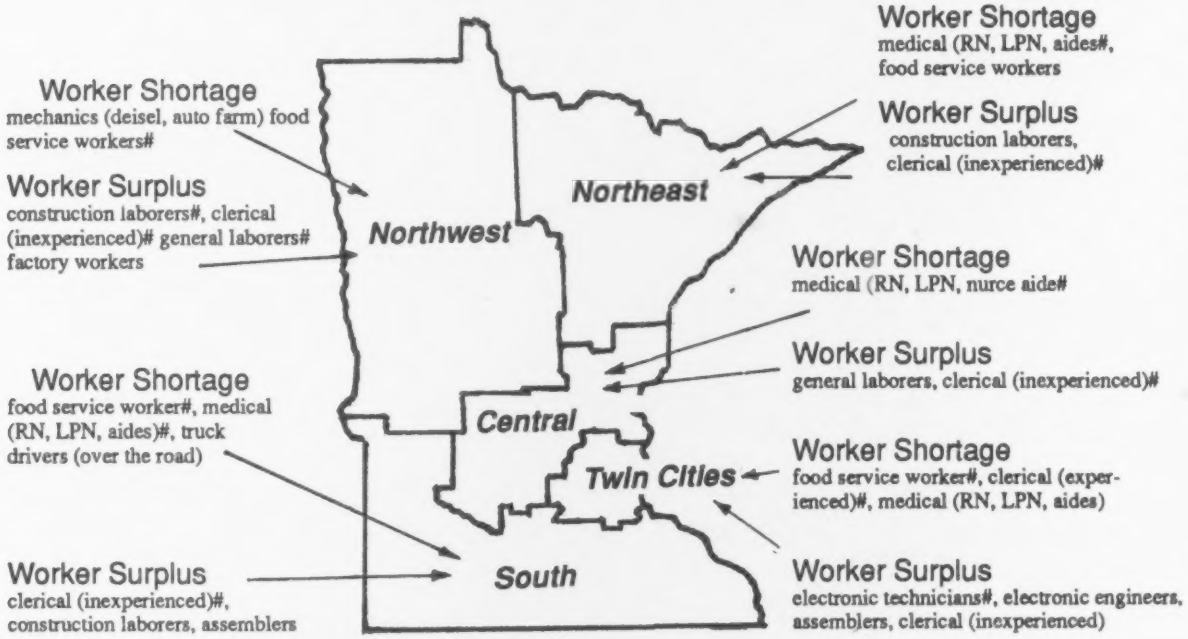
Actual First Quarter 1991 and Forecasted for Real Gross National Product and MN Employment Levels

| | Actual ± % Error | Forecasted ± Risk Region Boundaries | | | | Percent Change | |
|---|---|---|---|---|---|---|---|
| | 1991:1 | 1991:2 | 1991:3 | 1991:4 | 1992:1 | 91-92 | 92-93 |
| Real GNP | 4126.5 ± 1.2% | 4145.9 ± 37.3 | 4172.7 ± 54.3 | 4201.8 ± 65.7 | 4230.4 ± 74.5 | 2.7% | 1.6% |
| MN NonAg Employment | 2085.4 ± 0.8 | 2148.3 ± 10.5 | 2152.5 ± 14.0 | 2177.2 ± 16.3 | 2129.7 ± 17.5 | 2.7 | 2.8 |
| Mining | 7.4 | 8.0 ± 0.9 | 8.1 ± 1.1 | 7.6 ± 1.0 | 7.1 ± 1.0 | 4.3 | -0.2 |
| Construction | 61.2 | 76.9 ± 2.8 | 86.6 ± 3.9 | 78.2 ± 3.6 | 60.7 ± 2.8 | 1.0 | 1.8 |
| Manufacturing | 384.5 | 389.1 ± 4.0 | 400.1 ± 6.1 | 395.6 ± 7.3 | 391.6 ± 7.9 | 3.3 | 3.1 |
| Durables | 217.7 | 221.0 ± 3.5 | 224.6 ± 5.3 | 224.8 ± 6.4 | 222.7 ± 6.9 | 4.4 | 4.1 |
| NonDurables | 166.8 | 168.0 ± 1.7 | 175.5 ± 2.1 | 170.8 ± 2.2 | 168.9 ± 2.2 | 1.7 | 1.7 |
| Trans. Comm. & Pub. Util. | 106.9 | 108.8 ± 1.5 | 108.8 ± 1.9 | 110.9 ± 2.0 | 108.9 ± 2.1 | 2.6 | 2.6 |
| Trade | 500.3 | 517.7 ± 4.1 | 524.8 ± 4.9 | 524.7 ± 5.5 | 507.5 ± 5.7 | 2.0 | 2.1 |
| Wholesale | 122.3 | 125.8 ± 1.2 | 127.4 ± 1.5 | 125.7 ± 1.6 | 124.2 ± 1.7 | 1.9 | 1.5 |
| Retail | 378.0 | 391.9 ± 3.4 | 397.4 ± 4.2 | 398.9 ± 4.6 | 383.4 ± 4.7 | 2.0 | 2.3 |
| Finance, Ins. & Real Est. | 124.1 | 124.8 ± 0.8 | 126.3 ± 1.0 | 125.9 ± 1.2 | 125.6 ± 1.3 | 1.7 | 2.4 |
| Services | 553.4 | 569.1 ± 3.2 | 576.2 ± 3.9 | 579.4 ± 4.5 | 575.2 ± 4.8 | 4.2 | 4.1 |
| Government | 347.7 | 354.3 ± 3.4 | 321.4 ± 3.9 | 354.9 ± 4.5 | 353.0 ± 4.5 | 1.5 | 1.9 |

*by Charles Cline*

# The Job Market - Regional Worker Job Shortages and Surplusses

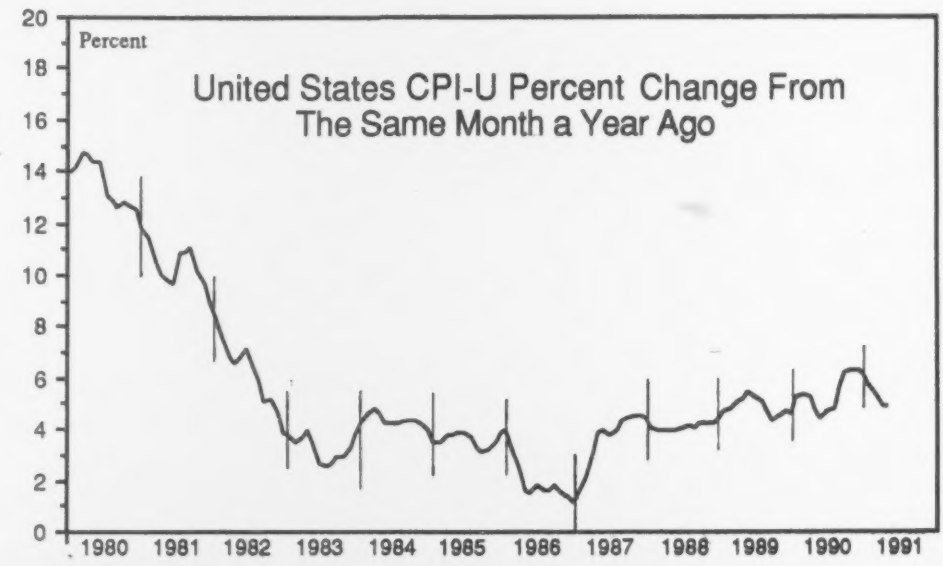
A **worker shortage** exists when an occupation is difficult to fill or there are few qualified applicants. A **worker surplus** exists when there is a sizable excess of qualified applicants. A # after a job indicates that the shortage has persisted for at least two of the last three quarters.




# Consumer Price Indexes (CPI-U)

CPI-U % Change From a Year Ago

| | U.S. | Twin Cities |
|---|---|---|
| 1990 | | 1st |
| May | 4.4 | Half |
| Jun | 4.7 | Av. |
| Jul | 4.8 | 4.3 |
| Aug | 5.6 | |
| Sep | 6.2 | 2nd |
| Oct | 6.3 | Half |
| Nov | 6.3 | Av. |
| Dec | 6.1 | 3.8 |
| A.A. | 5.4 | 4.1 |
| 1991 | | |
| Jan | 5.7 | |
| Feb | 5.3 | |
| Mar | 4.9 | |
| Apr | 4.9 | |

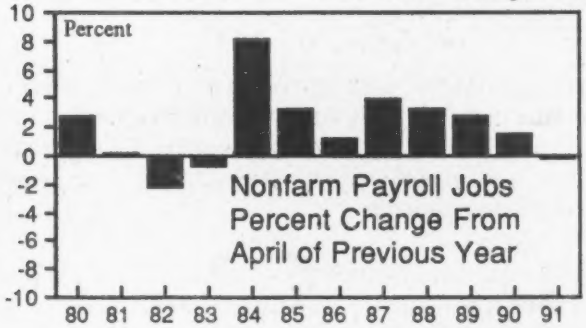


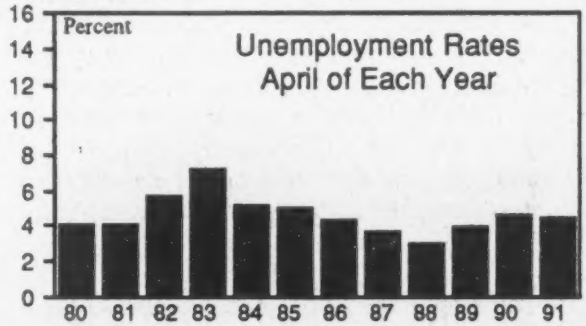

Twin Cities CPI data, which is available only for the first and second half of each year, is considered to be less reliable than the series for the U.S. For gauging state price changes the US CPI is best. Both the U.S and Twin Cities indexes (CPI-W and CPI-U) are available by calling (612) 296-6545.

# Areas of the State

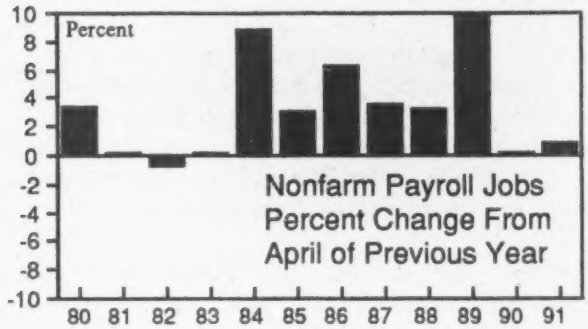
## Nonfarm Jobs & Unemployment Rates for MN Metro Areas

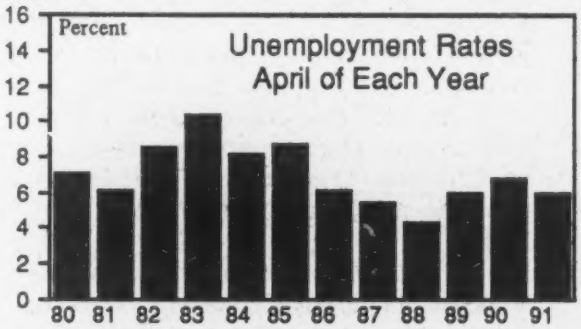
### Minneapolis-St. Paul MSA



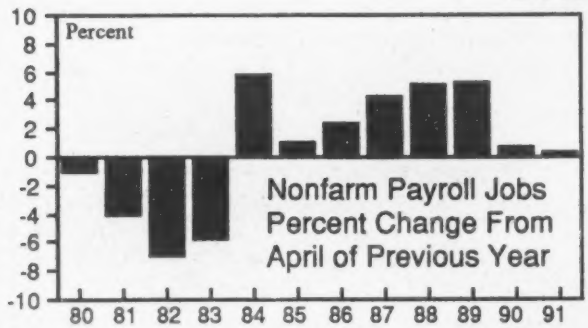



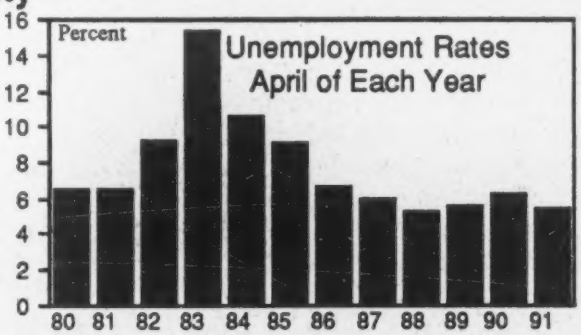

### St. Cloud MSA



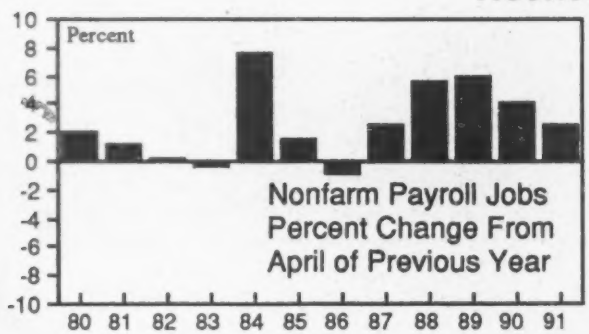



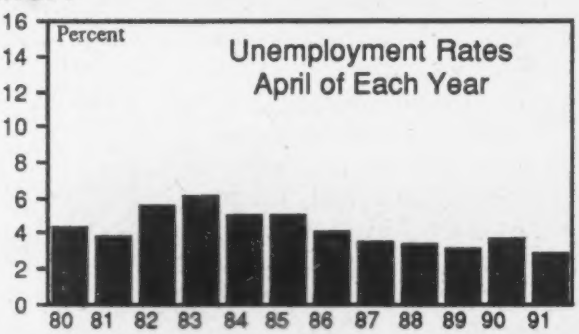

### Duluth City




### Rochester MSA



# Minneapolis-St. Paul MSA

**Jobless Rate Drops but Employment Growth Remains Sluggish**

The unemployment rate for the Minneapolis-St. Paul metropolitan area dipped to 4.5% in April, a drop of 0.3 of a percentage point from March. This was the second consecutive monthly decline after a peak in February of 5.5%, The rate is now slightly below the April 1990 rate, the first time since June 1990 that the current month' rate is lower than a year ago.

The drop in the April jobless rate was primarily caused by unemployed people giving up on looking for work and dropping out of the labor force rather than more of them returning to jobs. The number of employed people in April was unchanged from March ,while the number of unemployed workers decreased by 8.0%. Over the past 11 years, employment increased an average of 0.3% between these two months, and unemployment declined by 4.4%.

The April survey of area firms also showed a somewhat more encouraging sign. On a seasonally adjusted basis, total nonfarms jobs rose in April for the first time since declining in four out of the previous five months.

The goods producing sector was down only modestly as a seasonally adjusted loss in the construction industry was nearly offset by job growth in durable goods manufacturing industries. There was an 8.2% increase in construction jobs in April which fell short of the nearly 10% increase which generally occurs at this time of the year. Despite the loss in April, there is evidence from increased residential construction permit activity that there is improvement in the industry compared to last year. Most of the increase in durable goods manufacturing jobs was in the lumber and wood products group, but there was encouraging broad-based strength throughout the rest of the durable groups. Of the nine durable goods industry group, five added jobs, three were unchanged, and only one lost jobs.

Another positive sign in April was the resurgence of jobs in the transportation/communication/utilities (TCPU) industry. On a seasonally adjusted basis, jobs rose this month after declining for nine consecutive months.

While the manufacturing sector and TCU seem to be showing signs of a turnaround, weak labor market conditions remain in the retail trade industry. On a seasonally adjusted basis, employment dropped by nearly 1,500 in April. It was the seventh time in the past eight months that retail jobs have been cut. The number of jobs actually increased by 0.7% over the month, but this was only half of the 11-year average increase. The number of jobs in department stores, apparel and home furnishings stores dropped in April.

In recent years, the service industries and government, particularly educational services, have been a prolific source of job creation. Some of that vigor apparently returned in April as there was a strong upturn in finance/insurance and real estate jobs as well as the service industries.

*By Bruce Steuernagel*

LABOR FORCE DATA

| | Employment | | | Unemployment | | | Unemp. Rate | | |
|---|---|---|---|---|---|---|---|---|---|
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 |
| Mpls-St. Paul | 1,349,194 | 1,349,715 | 1,312,785 | 63,064 | 68,580 | 63,793 | 4.5 | 4.8 | 4.6 |
| REGION 11 | 1,267,206 | 1,267,983 | 1,231,742 | 56,581 | 60,443 | 58,016 | 4.3 | 4.5 | 4.5 |
| Anoka | 130,326 | 130,406 | 126,679 | 7,306 | 7,719 | 7,182 | 5.3 | 5.6 | 5.4 |
| Carver | 24,284 | 24,299 | 23,604 | 1,157 | 1,333 | 1,129 | 4.5 | 5.2 | 4.6 |
| Dakota | 142,720 | 142,807 | 138,726 | 6,638 | 7,558 | 6,261 | 4.4 | 5.0 | 4.3 |
| Hennepin | 599,589 | 599,957 | 582,810 | 25,152 | 25,295 | 26,528 | 4.0 | 4.0 | 4.4 |
| Ramsey | 268,128 | 268,292 | 260,624 | 11,109 | 12,060 | 11,822 | 4.0 | 4.3 | 4.3 |
| Scott | 28,711 | 28,729 | 27,907 | 1,768 | 2,086 | 1,593 | 5.8 | 6.8 | 5.7 |
| Washington | 73,448 | 73,493 | 71,392 | 3,451 | 4,392 | 3,401 | 4.5 | 5.6 | 4.5 |
| Chisago | 14,011 | 14,019 | 13,619 | 1,258 | 1,527 | 1,370 | 8.2 | 9.8 | 9.1 |
| Isanti | 11,863 | 11,871 | 11,531 | 992 | 1,116 | 947 | 7.7 | 8.6 | 7.6 |
| Wright | 32,449 | 32,469 | 31,541 | 2,574 | 3,117 | 2,580 | 7.3 | 8.8 | 7.6 |
| St. Croix, WI | 23,666 | 23,374 | 24,352 | 1,659 | 2,377 | 878 | 6.6 | 9.2 | 3.5 |
| Bloomington | 56,211 | 56,246 | 54,638 | 2,180 | 2,198 | 2,336 | 3.7 | 3.8 | 4.1 |
| Minneapolis | 197,732 | 197,854 | 192,199 | 9,189 | 9,197 | 9,909 | 4.4 | 4.4 | 4.9 |
| St. Paul | 138,247 | 138,331 | 134,378 | 6,873 | 7,461 | 7,324 | 4.7 | 5.1 | 5.2 |

# Twin Cities Nonfarm Wage & Salary Jobs, Hours & Earnings

| INDUSTRY | EMPLOYMENT 1/ (thousands) | | | PERCENT CHANGE FROM | | PRODUCTION WORKERS & HOURS & EARNINGS 2/ | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Average Weekly Earnings | | Average Weekly Hours | | Average Hourly Earnings | |
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Apr. 1990 | Apr. 1991 | Apr. 1990 | Apr. 1991 | Apr. 1990 |
| **Total Nonfarm Wage and Salary** | **1,358.7** | **1,347.5** | **1,361.2** | **0.8** | **-0.2** | - | - | - | - | - | - |
| **Goods Producing** | **296.3** | **290.9** | **308.1** | **1.9** | **-3.8** | - | - | - | - | - | - |
| **Mining** | **0.6** | **0.5** | **0.6** | **21.4** | **-8.2** | **735.90** | **678.68** | **44.6** | **42.9** | **16.50** | **15.82** |
| **Construction** | **43.2** | **39.9** | **47.4** | **8.2** | **-9.0** | **737.54** | **666.38** | **38.9** | **37.5** | **18.96** | **17.77** |
| **Manufacturing** | **252.5** | **250.5** | **260.1** | **0.8** | **-2.9** | **492.88** | **464.52** | **40.4** | **39.5** | **12.20** | **11.76** |
| Durable Goods | 147.5 | 145.9 | 156.0 | 1.1 | -5.5 | 510.86 | 473.98 | 41.0 | 40.1 | 12.46 | 11.82 |
| Lumber and Furniture | 9.2 | 8.1 | 9.3 | 13.4 | -0.9 | 540.85 | 547.94 | 37.3 | 37.3 | 14.50 | 14.69 |
| Stone, Clay and Glass | 2.6 | 2.3 | 2.8 | 13.1 | -7.7 | 467.64 | 503.32 | 38.3 | 39.6 | 12.21 | 12.71 |
| Primary Metals | 4.4 | 4.4 | 4.6 | -0.8 | -4.8 | 498.61 | 423.60 | 41.9 | 39.7 | 11.90 | 10.67 |
| Fabricated Metals | 25.4 | 25.3 | 26.3 | 0.3 | -3.4 | 558.15 | 485.85 | 43.1 | 41.0 | 12.95 | 11.85 |
| Industrial Machinery | 50.9 | 51.0 | 54.8 | -0.2 | -7.2 | 542.74 | 488.02 | 40.9 | 40.1 | 13.27 | 12.17 |
| Office and Computing | 20.7 | 20.8 | 23.5 | -0.6 | -11.9 | 601.52 | 568.98 | 41.2 | 43.6 | 14.60 | 13.05 |
| Electronic Equipment | 18.2 | 18.2 | 18.8 | -0.3 | -3.4 | 415.27 | 391.10 | 40.2 | 38.8 | 10.38 | 10.08 |
| Transportation Equipment | 3.3 | 3.2 | 5.7 | 1.9 | -42.4 | 674.93 | 673.81 | 43.6 | 43.0 | 15.48 | 15.67 |
| Instruments and Related | 29.5 | 29.4 | 29.5 | 0.6 | 0.1 | 475.15 | 455.70 | 41.9 | 42.0 | 11.34 | 10.85 |
| Misc. Manufacturing | 4.0 | 4.0 | 4.2 | 1.1 | -2.9 | 431.56 | 455.81 | 37.3 | 37.3 | 11.57 | 12.22 |
| Nondurable Goods | 105.1 | 104.6 | 104.1 | 0.5 | 0.9 | 470.05 | 452.80 | 39.7 | 38.8 | 11.84 | 11.67 |
| Food & Beverage Products | 18.3 | 18.0 | 18.2 | 1.7 | 0.7 | 479.23 | 469.77 | 41.1 | 41.1 | 11.66 | 11.43 |
| Paper Products | 26.2 | 26.2 | 25.8 | 0.0 | 1.5 | 513.35 | 483.15 | 41.2 | 39.7 | 12.46 | 12.17 |
| Printing and Publishing | 37.6 | 37.6 | 36.4 | 0.1 | 3.2 | 431.22 | 439.02 | 37.4 | 36.8 | 11.53 | 11.93 |
| Chemicals and Petroleum | 9.9 | 9.8 | 9.8 | 0.7 | 1.1 | 606.46 | 568.11 | 41.2 | 39.7 | 14.72 | 14.31 |
| Rubber and Plastic | 11.0 | 10.9 | 11.3 | 1.1 | -2.5 | 447.02 | 391.82 | 41.7 | 39.3 | 10.72 | 9.97 |
| **Service Producing** | **1,062.4** | **1,056.6** | **1,053.1** | **0.5** | **0.9** | - | - | - | - | - | - |
| **Transp. Comm., & Util.** | **75.2** | **74.8** | **76.0** | **0.6** | **-1.0** | - | - | - | - | - | - |
| Transportation | 53.8 | 53.4 | 54.5 | 0.8 | -1.1 | - | - | - | - | - | - |
| Trucking & Warehousing | 16.2 | 16.1 | 17.2 | 0.8 | -5.7 | 382.33 | 394.35 | 29.8 | 31.1 | 12.83 | 12.68 |
| Communication & Utilities | 21.4 | 21.4 | 21.6 | -0.1 | -0.7 | 623.57 | 587.52 | 38.9 | 38.3 | 16.03 | 15.34 |
| **Trade** | **319.9** | **317.7** | **326.4** | **0.7** | **-2.0** | **276.30** | **268.80** | **29.3** | **29.8** | **9.43** | **9.02** |
| Wholesale | 82.1 | 81.6 | 83.5 | 0.6 | -1.7 | 469.23 | 454.13 | 37.3 | 37.5 | 12.58 | 12.11 |
| Retail | 237.7 | 236.1 | 242.9 | 0.7 | -2.1 | 217.89 | 212.08 | 26.9 | 27.4 | 8.10 | 7.74 |
| Building Materials | 10.2 | 9.6 | 10.4 | 6.4 | -2.4 | 376.23 | 446.35 | 35.9 | 40.8 | 10.48 | 10.94 |
| General Merchandise | 36.6 | 37.4 | 39.6 | -2.2 | -7.6 | 207.00 | 195.55 | 25.0 | 25.2 | 8.28 | 7.76 |
| Food Stores | 29.6 | 29.6 | 29.2 | -0.2 | 1.1 | 264.60 | 257.93 | 28.0 | 28.5 | 9.45 | 9.05 |
| Automotive | 25.2 | 24.9 | 25.1 | 0.9 | 0.5 | 355.59 | 343.51 | 36.1 | 36.7 | 9.85 | 9.36 |
| Apparel | 12.8 | 12.9 | 13.2 | -0.7 | -3.3 | 123.41 | 131.87 | 20.1 | 20.8 | 6.14 | 6.34 |
| Home Furnishings | 10.1 | 10.2 | 10.6 | -0.3 | -4.7 | 333.70 | 307.20 | 31.6 | 31.9 | 10.56 | 9.63 |
| Eating and Drinking | 82.0 | 80.3 | 83.5 | 2.1 | -1.8 | 142.78 | 132.21 | 22.7 | 23.4 | 6.29 | 5.65 |
| **Fin., Insur., Real Estate** | **97.5** | **96.9** | **96.1** | **0.6** | **1.5** | | | | | | |
| Finance | 41.0 | 40.8 | 40.8 | 0.4 | 0.6 | | | | | | |
| Insurance | 39.3 | 39.3 | 38.5 | 0.0 | 2.1 | | | | | | |
| Real Estate | 17.2 | 16.7 | 16.8 | 2.8 | 2.1 | | | | | | |
| **Services** | **377.8** | **375.1** | **365.5** | **0.7** | **3.4** | | | | | | |
| Personal Services | 18.3 | 18.2 | 18.1 | 0.2 | 0.7 | | | | | | |
| Business Services | 79.5 | 79.4 | 78.6 | 0.1 | 1.2 | | | | | | |
| Repair Services | 17.2 | 17.4 | 17.0 | -1.1 | 1.1 | | | | | | |
| Health Services | 96.8 | 96.7 | 93.3 | 0.2 | 3.8 | | | | | | |
| Nursing Homes | 22.8 | 22.8 | 22.8 | 0.2 | 0.0 | | | | | | |
| Hospitals | 34.1 | 34.1 | 33.1 | -0.1 | 2.9 | | | | | | |
| Legal Services | 13.1 | 13.1 | 12.5 | 0.4 | 5.2 | | | | | | |
| Private Education | 20.0 | 19.8 | 19.5 | 1.0 | 2.4 | | | | | | |
| Government | 191.9 | 192.2 | 189.1 | -0.1 | 1.5 | | | | | | |
| Federal | 21.2 | 21.1 | 22.2 | 0.2 | -4.8 | | | | | | |
| State | 56.6 | 56.2 | 56.0 | 0.8 | 1.0 | | | | | | |
| Education | 32.5 | 32.2 | 31.8 | 0.9 | 2.3 | | | | | | |
| Local | 114.1 | 114.9 | 110.8 | -0.6 | 3.0 | | | | | | |
| Education | 62.1 | 63.3 | 60.6 | -1.8 | 2.4 | | | | | | |

**Note:** Not all industry sub-groups are shown for every major industry category.

1/ Totals may not add because of roundings.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

# Southern Minnesota

| LABOR FORCE DATA | Employment | | | Unemployment | | | Unemp. Rate | | |
|---|---|---|---|---|---|---|---|---|---|
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 |
| REGION 6W | 25,594 | 25,049 | 23,191 | 1,278 | 1,675 | 1,285 | 4.8 | 6.3 | 5.3 |
| Big Stone | 2,871 | 2,806 | 2,667 | 181 | 220 | 164 | 5.9 | 7.3 | 5.8 |
| Chippewa | 7,680 | 7,619 | 6,575 | 367 | 484 | 392 | 4.6 | 6.0 | 5.6 |
| Lac Qui Parle | 4,178 | 4,155 | 3,868 | 147 | 214 | 159 | 3.4 | 4.9 | 3.9 |
| Swift | 4,941 | 4,763 | 4,628 | 316 | 403 | 284 | 6.0 | 7.8 | 5.8 |
| Yellow Med. | 5,924 | 5,706 | 5,453 | 267 | 354 | 286 | 4.3 | 5.8 | 5.0 |
| REGION 8 | 64,004 | 62,716 | 58,490 | 2,453 | 3,176 | 2,817 | 3.7 | 4.8 | 4.6 |
| Cottonwood | 6,364 | 6,181 | 5,957 | 313 | 376 | 234 | 4.7 | 5.7 | 3.8 |
| Jackson | 6,046 | 5,900 | 5,257 | 309 | 357 | 244 | 4.9 | 5.7 | 4.4 |
| Lincoln | 3,375 | 3,267 | 3,047 | 146 | 205 | 236 | 4.1 | 5.9 | 7.2 |
| Lyon | 13,107 | 12,964 | 11,877 | 517 | 637 | 641 | 3.8 | 4.7 | 5.1 |
| Murray | 4,967 | 4,773 | 4,514 | 223 | 321 | 261 | 4.3 | 6.3 | 5.5 |
| Nobles | 12,107 | 12,035 | 11,132 | 307 | 433 | 375 | 2.5 | 3.5 | 3.3 |
| Pipestone | 5,155 | 4,968 | 4,938 | 227 | 300 | 291 | 4.2 | 5.7 | 5.6 |
| Redwood | 7,814 | 7,698 | 7,219 | 284 | 369 | 397 | 3.5 | 4.6 | 5.2 |
| Rock | 5,069 | 4,930 | 4,549 | 127 | 178 | 138 | 2.4 | 3.5 | 2.9 |
| REGION 9 | 112,680 | 111,733 | 104,989 | 5,451 | 6,461 | 5,438 | 4.6 | 5.5 | 4.9 |
| Blue Earth | 28,842 | 29,057 | 27,437 | 989 | 1,187 | 937 | 3.3 | 3.9 | 3.3 |
| Brown | 14,470 | 14,247 | 13,022 | 646 | 841 | 729 | 4.3 | 5.6 | 5.3 |
| Faribault | 7,530 | 7,513 | 7,033 | 525 | 644 | 528 | 6.5 | 7.9 | 7.0 |
| LeSueur | 10,479 | 10,315 | 9,979 | 935 | 1,086 | 896 | 8.2 | 9.5 | 8.2 |
| Martin | 12,245 | 11,527 | 11,122 | 712 | 761 | 764 | 5.5 | 6.2 | 6.4 |
| Nicollet | 15,745 | 15,861 | 14,977 | 500 | 608 | 528 | 3.1 | 3.7 | 3.4 |
| Sibley | 6,853 | 6,903 | 6,319 | 441 | 547 | 465 | 6.0 | 7.3 | 6.9 |
| Waseca | 10,170 | 10,087 | 9,205 | 419 | 488 | 347 | 4.0 | 4.6 | 3.6 |
| Watonwan | 6,346 | 6,223 | 5,895 | 284 | 299 | 244 | 4.3 | 4.6 | 4.0 |
| REGION 10 | 227,222 | 226,441 | 214,038 | 10,104 | 12,190 | 11,935 | 4.3 | 5.1 | 5.3 |
| Dodge | 7,896 | 7,713 | 7,867 | 522 | 671 | 503 | 6.2 | 8.0 | 6.0 |
| Fillmore | 10,349 | 10,051 | 9,314 | 673 | 837 | 636 | 6.1 | 7.7 | 6.4 |
| Freeborn | 16,073 | 16,084 | 14,782 | 924 | 1,106 | 2,512 | 5.4 | 6.4 | 14.5 |
| Goodhue | 22,083 | 22,221 | 20,544 | 897 | 1,120 | 822 | 3.9 | 4.8 | 3.8 |
| Houston | 9,654 | 9,566 | 8,955 | 536 | 783 | 475 | 5.3 | 7.6 | 5.0 |
| Mower | 18,229 | 17,956 | 16,887 | 604 | 788 | 859 | 3.2 | 4.2 | 4.8 |
| Olmsted | 64,091 | 64,619 | 60,580 | 1,940 | 2,039 | 2,271 | 2.9 | 3.1 | 3.6 |
| Rice | 28,094 | 27,952 | 26,489 | 1,405 | 1,590 | 1,306 | 4.8 | 5.4 | 4.7 |
| Steele | 15,865 | 15,978 | 15,331 | 826 | 1,047 | 598 | 4.9 | 6.1 | 3.8 |
| Wabasha | 8,752 | 8,383 | 8,223 | 497 | 614 | 518 | 5.4 | 6.8 | 5.9 |
| Winona | 26,136 | 25,918 | 25,066 | 1,280 | 1,595 | 1,435 | 4.7 | 5.8 | 5.4 |
| Rochester Cty | 39,874 | 40,203 | 37,690 | 1,356 | 1,397 | 1,588 | 3.3 | 3.4 | 4.0 |

| ROCHESTER MSA NONFARM WAGE & SALARY EMPLOYMENT | Employment | | | % Change From | |
|---|---|---|---|---|---|
| Industry | Apr. 1991 | Mar. 1991 | Apr. 1990 | Month Ago | Year Ago |
| Total Nonfarm Wage and Salary | 66,601 | 66,481 | 64,884 | 0.2 | 2.6 |
| Goods Producing | 13,809 | 13,734 | 13,840 | 0.5 | -0.2 |
| Construction and Mining | 2,044 | 1,938 | 1,955 | 5.5 | 4.6 |
| Manufacturing | 11,765 | 11,796 | 11,885 | -0.3 | -1.0 |
| Durable Goods | 9,883 | 9,907 | 10,025 | -0.2 | -1.4 |
| Nondurable Goods | 1,882 | 1,889 | 1,860 | -0.4 | 1.2 |
| Service Producing | 52,792 | 52,747 | 51,044 | 0.1 | 3.4 |
| Transp., Comm., & Util. | 1,879 | 1,871 | 1,853 | 0.4 | 1.4 |
| Trade | 13,211 | 13,220 | 13,117 | -0.1 | 0.7 |
| Wholesale | 1,635 | 1,590 | 1,640 | 2.8 | -0.3 |
| Retail | 11,576 | 11,630 | 11,477 | -0.5 | 0.9 |
| Finan., Insur., & Re. Estate | 1,808 | 1,785 | 1,810 | 1.3 | -0.1 |
| Services | 28,870 | 28,802 | 27,275 | 0.2 | 5.8 |
| Health | 19,448 | 19,431 | 18,427 | 0.1 | 5.5 |
| Other Services | 9,422 | 9,371 | 8,848 | 0.5 | 6.5 |
| Government | 7,024 | 7,069 | 6,989 | -0.6 | 0.5 |

## Despite Recession, Unemployment Rates Make It Look Like Good Times

Southern Minnesota doesn't seem to know we are in a recession. Unemployment rates have supposedly dropped to boom-time levels. The county with the highest unemployment rate in southern Minnesota was Le Sueur with 8.2%, the same as last April. At the other extreme were Nobles, Rock, and Olmstead Counties with rates of 2.5%, 2.4%, and 2.9%.

To some degree, however, the low rates may by due to a statistical aberration produced by sampling error in the estimating methodology. The unemployment rates for the Rochester MSA thus far during 1991 have been 3.1%, 3.7%, 3.1%, and April's 2.9%. Normally, there's very little fluctuation.

According to the labor force figures, total employment (resident based) has increased over the month and year in every region of southern Minnesota. In the Rochester MSA it rose 5.8% over the year, but payroll data (establishment based) indicates a 2.6% rise--probably closer to the mark. Since March, payroll jobs have increased a scant 0.2% in the MSA. Over the past five years, the average increase was 1.3%.

Among the MSA's industries, there was little significant change in job level over the year. Construction/mining increased 4.6% in contrast to the recession stripping the industry in other parts of the state and nation. The much larger services--both medical and other--increased about six percent. Services accounted for 1,595 of the MSA's additional 1,717 jobs over the year. Over the month, construction/mining's 5.5% increase in jobs was by far the fastest gain.

*By Ron Daws*

# Central and Northwest Minnesota

| LABOR FORCE DATA | Employment | | | Unemployment | | | Unemp. Rate | | |
|---|---|---|---|---|---|---|---|---|---|
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 |
| REGION 1 | 42,325 | 42,432 | 39,164 | 4,180 | 4,614 | 4,448 | 9.0 | 9.8 | 10.2 |
| Kittson | 2,547 | 2,535 | 2,298 | 215 | 300 | 259 | 7.8 | 10.6 | 10.1 |
| Marshall | 4,745 | 4,623 | 4,325 | 756 | 986 | 852 | 13.7 | 17.6 | 16.5 |
| Norman | 3,666 | 3,544 | 3,331 | 312 | 354 | 342 | 7.8 | 9.1 | 9.3 |
| Pennington | 6,595 | 6,548 | 6,118 | 657 | 985 | 872 | 9.1 | 13.1 | 12.5 |
| Polk | 14,158 | 14,580 | 13,151 | 1,148 | 1,171 | 1,414 | 7.5 | 7.4 | 9.7 |
| Red Lake | 1,682 | 1,578 | 1,466 | 263 | 342 | 362 | 13.5 | 17.8 | 19.8 |
| Roseau | 8,932 | 9,024 | 8,475 | 829 | 476 | 347 | 8.5 | 5.0 | 3.9 |
| REGION 2 | 30,932 | 30,536 | 29,112 | 2,866 | 3,293 | 3,129 | 8.5 | 9.7 | 9.7 |
| Beltrami | 16,487 | 16,500 | 15,431 | 1,218 | 1,284 | 1,251 | 6.9 | 7.2 | 7.5 |
| Clearwater | 3,167 | 3,161 | 3,015 | 669 | 889 | 759 | 17.4 | 22.0 | 20.1 |
| Hubbard | 6,774 | 6,355 | 6,573 | 649 | 753 | 749 | 8.7 | 10.6 | 10.2 |
| Lake of Woods | 2,027 | 2,083 | 1,790 | 80 | 81 | 93 | 3.8 | 3.7 | 4.9 |
| Mahnomen | 2,477 | 2,437 | 2,303 | 250 | 286 | 277 | 9.2 | 10.5 | 10.7 |
| REGION 4 | 100,214 | 97,860 | 93,021 | 6,133 | 7,177 | 6,642 | 5.8 | 6.8 | 6.7 |
| Becker | 13,919 | 13,298 | 12,982 | 1,101 | 1,304 | 1,254 | 7.3 | 8.9 | 8.8 |
| Clay | 25,507 | 25,357 | 24,234 | 1,352 | 1,488 | 1,455 | 5.0 | 5.5 | 5.7 |
| Douglas | 15,993 | 15,765 | 14,604 | 857 | 1,035 | 945 | 5.1 | 6.2 | 6.1 |
| Grant | 3,036 | 2,946 | 2,781 | 226 | 294 | 264 | 6.9 | 9.1 | 8.7 |
| Otter Tail | 25,842 | 25,097 | 23,718 | 1,771 | 2,021 | 1,811 | 6.4 | 7.5 | 7.1 |
| Pope | 4,860 | 4,710 | 4,476 | 354 | 446 | 400 | 6.8 | 8.7 | 8.2 |
| Stevens | 5,407 | 5,274 | 4,969 | 155 | 236 | 168 | 2.8 | 4.3 | 3.3 |
| Traverse | 2,131 | 2,027 | 1,981 | 113 | 148 | 146 | 5.0 | 6.8 | 6.9 |
| Wilkin | 3,519 | 3,386 | 3,276 | 204 | 205 | 199 | 5.5 | 5.7 | 5.7 |
| REGION 5 | 59,836 | 58,544 | 55,838 | 5,455 | 6,592 | 5,703 | 8.4 | 10.1 | 9.3 |
| Cass | 8,474 | 8,224 | 7,724 | 971 | 1,209 | 1,058 | 10.3 | 12.8 | 12.0 |
| Crow Wing | 21,540 | 21,114 | 20,356 | 1,584 | 1,830 | 1,628 | 6.9 | 8.0 | 7.4 |
| Morrison | 13,970 | 13,547 | 13,181 | 1,529 | 1,791 | 1,557 | 9.9 | 11.7 | 10.6 |
| Todd | 10,831 | 10,747 | 9,926 | 929 | 1,253 | 1,035 | 7.9 | 10.4 | 9.4 |
| Wadena | 5,021 | 4,912 | 4,651 | 442 | 509 | 425 | 8.1 | 9.4 | 8.4 |
| REGION 6E | 56,368 | 55,828 | 51,406 | 3,235 | 3,835 | 3,321 | 5.4 | 6.4 | 6.1 |
| Kandiyohi | 21,140 | 21,036 | 19,232 | 922 | 1,205 | 959 | 4.2 | 5.4 | 4.7 |
| McLeod | 17,103 | 17,003 | 15,940 | 845 | 957 | 814 | 4.7 | 5.3 | 4.9 |
| Meeker | 9,015 | 8,900 | 8,124 | 978 | 1,044 | 837 | 9.8 | 10.5 | 9.3 |
| Renville | 9,110 | 8,889 | 8,110 | 490 | 629 | 711 | 5.1 | 6.6 | 8.1 |
| REGION 7E | 51,376 | 50,859 | 49,200 | 4,816 | 5,767 | 5,097 | 8.6 | 10.2 | 9.4 |
| Chisago | 14,011 | 14,019 | 13,619 | 1,258 | 1,527 | 1,370 | 8.2 | 9.8 | 9.1 |
| Isanti | 11,863 | 11,871 | 11,531 | 992 | 1,116 | 947 | 7.7 | 8.6 | 7.6 |
| Kanabec | 5,223 | 5,282 | 5,031 | 692 | 838 | 837 | 11.7 | 13.7 | 14.3 |
| Mille Lacs | 10,591 | 10,228 | 9,680 | 818 | 984 | 773 | 7.2 | 8.8 | 7.4 |
| Pine | 9,688 | 9,459 | 9,339 | 1,056 | 1,302 | 1,170 | 9.8 | 12.1 | 11.1 |
| REGION 7W | 130,321 | 129,520 | 123,909 | 8,780 | 10,651 | 9,353 | 6.3 | 7.6 | 7.0 |
| Benton | 15,435 | 15,306 | 14,567 | 1,049 | 1,217 | 1,161 | 6.4 | 7.4 | 7.4 |
| Sherburne | 18,970 | 18,810 | 17,903 | 1,400 | 1,692 | 1,448 | 6.9 | 8.3 | 7.5 |
| Stearns | 63,467 | 62,935 | 59,898 | 3,757 | 4,625 | 4,164 | 5.6 | 6.8 | 6.5 |
| Wright | 32,449 | 32,469 | 31,541 | 2,574 | 3,117 | 2,580 | 7.3 | 8.8 | 7.6 |
| St. Cloud MSA | 97,872 | 97,051 | 92,368 | 6,206 | 7,535 | 6,772 | 6.0 | 7.2 | 6.8 |

| ST. CLOUD MSA NONFARM WAGE & SALARY EMPLOYMENT | Employment | | | % Change From | |
|---|---|---|---|---|---|
| Industry | Apr. 1991 | Mar. 1991 | Apr. 1990 | Month Ago | Year Ago |
| Total Nonfarm Wage and Salary | 79,192 | 77,969 | 78,591 | 1.6 | 0.8 |
| Goods Producing | 17,532 | 16,905 | 17,882 | 3.7 | -2.0 |
| Construction and Mining | 2,941 | 2,340 | 3,436 | 25.7 | -14.4 |
| Manufacturing | 14,591 | 14,565 | 14,446 | 0.2 | 1.0 |
| Durable Goods | 8,496 | 8,444 | 8,428 | 0.6 | 0.8 |
| Nondurable Goods | 6,095 | 6,121 | 6,018 | -0.4 | 1.3 |
| Service Producing | 61,660 | 61,064 | 60,709 | 1.0 | 1.6 |
| Transp., Comm., & Util. | 3,874 | 3,899 | 3,952 | -0.6 | -2.0 |
| Trade | 23,003 | 22,964 | 22,518 | 0.2 | 2.2 |
| Wholesale | 3,608 | 3,604 | 3,714 | 0.1 | -2.9 |
| Retail | 19,395 | 19,360 | 18,804 | 0.2 | 3.1 |
| Finan., Insur., & Re. Estate | 2,516 | 2,503 | 2,414 | 0.5 | 4.2 |
| Services | 18,515 | 18,520 | 17,911 | 0.0 | 3.4 |
| Health | 6,264 | 6,216 | 5,606 | 0.8 | 11.7 |
| Other Services | 12,251 | 12,304 | 12,305 | -0.4 | -0.4 |
| Government | 13,752 | 13,178 | 13,914 | 4.4 | -1.2 |

## Unemployment Rates Subside Over-the-Year While Employment Continues to Increase

Employment rose over the year in every region while unemployment rates dropped. The drop in unemployment, however, may be a statistical aberration produced by sampling error in the labor force estimating methodology.

In the St. Cloud MSA the unemployment rate dropped from 7.2% in March and 6.8% last April, to 6.0% this April. By way of comparison, the MSA's April rate was 6.2% in 1989 and 4.3% in 1988. The degree of drop over the month this year was about average, and if accurate, would indicate that the current recession has not been able to secure much of a foot hold in central and northwest Minnesota.

Employer based job figures indicate that the strong employment gains suggested by the labor force figures may also be overstated. While total employment (resident based) in the MSA is reported as increasing 6.0% over the year, payroll jobs (establishment based) rose 0.8%. The corresponding payroll job increase for 1989-90 was 1.0%; for 1988-89 it was 9.9%, and for 1987-88 it was 3.3%.

The main industrial movers and shakers in the MSA were construction/mining which lost 14.4% of its jobs over the year despite adding 25.7% of them over the month, and health services which created 11.7% more jobs over the year.

Other than the 4.4% more education jobs as result of the school spring break ending, there weren't any other significant job changes in the MSA.

*By Ron Daws*

# Northeast Minnesota

**Unemployment Down Over the Year**

Despite a large unemployment jump in Koochiching County over the year, Region 3's rate dropped from 8.3% last April to 7.5% this April. This drop may not be as great as it seems. Other evidence suggests that it is an exaggeration produced by a statistical aberration. The rise in Koochiching County is probably real--due to laid-off construction workers following completion of the new Boise Cascade plant.

Employment in Region 3, although generally down slightly over the month is up significantly over the year in Region 3 according to the labor force figures. In Duluth, for example, total employment (resident based) rose 1,422 or 3.8% according to the official figures. Employer based job data, however, suggests that Duluth's over-the-year job gain is closer to one-half percent, and that despite the over-the-month 1.2% employment loss suggested by the labor force data, the job level remained essentially unchanged between March and April.

Few industries in Duluth added or lost significant numbers of jobs over the year. Construction/ mining had 7.0% (110) fewer jobs than last April, and wholesale trade had 7.2% (125) more. Health services added the most workers, 322 (up 5.5%). Retail trade's 261fewer workers would not be caused by the gradual move by retailers to the suburban malls as downtown Duluth becomes increasingly office oriented, since most of the malls are within city limits. It probably reflects the general softning of consumer spending.

Looking back over several months' employment and unemployment data suggests that although Region 3 is feeling the effects of the recession, the job market and economy is merely in a holding pattern and will come up to speed when the national economy improves. *By Ron Daws*

**LABOR FORCE DATA**

| | Employment | | | Unemployment | | | Unemp. Rate | | |
|---|---|---|---|---|---|---|---|---|---|
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 | Apr. 1991 | Mar. 1991 | Apr. 1990 |
| REGION 3 | 138,371 | 139,392 | 133,854 | 11,207 | 11,854 | 12,190 | 7.5 | 7.8 | 8.3 |
| Aitkin | 5,129 | 5,216 | 4,767 | 635 | 691 | 731 | 11.0 | 11.7 | 13.3 |
| Carlton | 12,365 | 12,127 | 11,783 | 1,095 | 1,218 | 1,188 | 8.1 | 9.1 | 9.2 |
| Cook | 2,408 | 2,551 | 2,239 | 200 | 199 | 311 | 7.7 | 7.2 | 12.2 |
| Itasca | 16,870 | 16,835 | 15,879 | 1,751 | 1,706 | 2,165 | 9.4 | 9.2 | 12.0 |
| Koochiching | 8,630 | 8,624 | 9,749 | 918 | 891 | 605 | 9.6 | 9.4 | 5.8 |
| Lake | 4,236 | 4,238 | 3,978 | 460 | 575 | 420 | 9.8 | 11.9 | 9.5 |
| St. Louis | 88,733 | 89,801 | 85,459 | 6,148 | 6,574 | 6,770 | 6.5 | 6.8 | 7.3 |
| City of Duluth | 38,523 | 38,986 | 37,101 | 2,200 | 2,392 | 2,476 | 5.4 | 5.8 | 6.3 |
| Balance St. Louis | 50,210 | 50,815 | 48,358 | 3,948 | 4,182 | 4,294 | 7.3 | 7.6 | 8.2 |

**DULUTH & DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT**

| Industry | DULUTH Employment | | | % Change From | | DULUTH SUPERIOR Employment | | | % Change From | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr. 1991 | Mar. 1991 | Apr. 1990 | Month Ago | Year Ago | Apr. 1991 | Mar. 1991 | Apr. 1990 | Month Ago | Year Ago |
| Total Nonfarm Wage and Salary | 49,334 | 49,223 | 49,157 | 0.2 | 0.4 | 97,491 | 97,420 | 96,541 | 0.1 | 1.0 |
| Goods Producing | 5,586 | 5,371 | 5,644 | 4.0 | -1.0 | 17,204 | 16,755 | 16,710 | 2.7 | 3.0 |
| Mining | Small combined with construction | | | | | 5,367 | 5,318 | 5,263 | 0.9 | 2.0 |
| Construction | 1,455 | 1,373 | 1,565 | 6.0 | -7.0 | 2,931 | 2,876 | 3,136 | 1.9 | -6.5 |
| Manufacturing | 4,131 | 3,998 | 4,079 | 3.3 | 1.3 | 8,906 | 8,561 | 8,311 | 4.0 | 7.2 |
| Durable Goods | 1,602 | 1,574 | 1,563 | 1.8 | 2.5 | 4,642 | 4,585 | 4,350 | 1.2 | 6.7 |
| Nondurable Goods | 2,529 | 2,424 | 2,516 | 4.3 | 0.5 | 4,264 | 3,976 | 3,961 | 7.2 | 7.6 |
| Service Producing | 43,748 | 43,852 | 43,513 | -0.2 | 0.5 | 80,287 | 80,665 | 79,831 | -0.5 | 0.6 |
| Transp., Comm., & Util. | 2,945 | 2,848 | 2,982 | 3.4 | -1.2 | 5,777 | 5,806 | 5,689 | -0.5 | 1.5 |
| Trade | 11,599 | 11,619 | 11,735 | -0.2 | -1.2 | 23,680 | 23,743 | 24,064 | -0.3 | -1.6 |
| Wholesale | 1,869 | 1,877 | 1,744 | -0.4 | 7.2 | 3,908 | 3,836 | 3,829 | 1.9 | 2.1 |
| Retail | 9,730 | 9,742 | 9,991 | -0.1 | -2.6 | 19,772 | 19,907 | 20,235 | -0.7 | -2.3 |
| Finan., Insur., & Re. Estate | 1,978 | 1,951 | 1,946 | 1.4 | 1.6 | 3,287 | 3,267 | 3,171 | 0.6 | 3.7 |
| Services | 14,976 | 15,164 | 14,567 | -1.2 | 2.8 | 24,960 | 25,212 | 24,175 | -1.0 | 3.2 |
| Health | 6,184 | 6,357 | 5,862 | -2.7 | 5.5 | 10,013 | 10,239 | 9,497 | -2.2 | 5.4 |
| Other Services | 8,792 | 8,807 | 8,705 | -0.2 | 1.0 | 14,947 | 14,973 | 14,678 | -0.2 | 1.8 |
| Government | 12,250 | 12,270 | 12,283 | -0.2 | -0.3 | 22,583 | 22,637 | 22,732 | -0.2 | -0.7 |

# Research Summaries

**The Bureau of Labor Statistics** expects a decline of 440,000 in the number of youths between 16 and 24 years old seeking temporary and full-time work this summer compared with 1990.

This over-the-year decline in the youth labor force results from the combination of a decline in both the 16- to 24-year-old population and their rate of labor force participation. Their numbers have been falling since 1980 and about 300,000 fewer are expected this July than last. The proportion of youth in the labor force is expected to be below last July's 75.2%, which itself was down from the record high 77.5% reached in July 1989.

BLS also reported that unemployment rates in March were higher than a year earlier in 48 states and D.C. Employment on nonfarm payrolls was lower than a year earlier in 19 states and D.C.

**The all-industries median first-year wage increase** negotiated in the first 20 weeks of 1991 is 3.9%, compared with 4% in the corresponding period a year ago, according to the Bureau of National Affairs biweekly survey.

**Younger women** are nearly as segregated into traditional female jobs as middle-aged and older women, and the gap between the wages paid young women and young men is likely to grow as they age, according to a new study by the Older Women's League. Workforce segregation is "the prime culprit" for the earnings gap between men and women, the report says.

**By the year 2000,** 85% of all jobs will require a high school education, yet the graduation rate stands at about 72%, according to the Society for Human Resource Management.

Shifts in the age-gender composition of the labor force, (particularly for women, 16-19 year olds, and those over 65 years), changes in unemployment, and a widening part-time/full-time wage gap can explain only a small part of the continuing increase in part-time jobs, according to an article in the March *Monthly Labor Review* by Chris Tilly, assistant professor at the University of Lowell (Mass.) Tilly argues that the shift to services and the increasing use of "low-wage, low-skill, high-turnover" workers in all industries explains much better the shift to part-time work.

**Contrary to some perceptions**, a Commonwealth Fund study concluded that older workers can be retrained, have lower absenteeism rates, and are often better salespeople than younger workers. Earlier Fund studies estimate that six million unemployed Americans over the age of 55 are ready and able towork. They would join 13.5 million others over 55 who are already in the work force. "Hiring older people makes good business sense," the study concludes.

**Productivity** is no longer enough to sustain the competitive edge of the United States, according to a report by the American Society for Training and Development for the Employment and Training Administration. Workers will be required to have more general knowledge, more abstract reasoning capability, more social skill, and more "reserve skills" that will permit them to "cope with change, tailor service, handle exceptions, and capture new learning on the job."

Those workers who "pay attention to education, training, and work experience can increase their control over their working lives". Leaders are born, but many companies believe they can be nurtured too. ASTA estimates that 60% of the nation's largest companies now offer leadership training●

*By Bruce Steuernagel*

# Getting a Handle on the Cost of Living

**What's the cost of living?** The answer to this question affects everyone because whatever your paycheck is, the other side of the coin--prices and how they change--determines how far your money will go.

Cost of living measures fall into basically two camps. One measures change in prices over time, the other compares living expenses in different cities at a particular time. The Consumer Price Index (CPI) is most commonly used to measure cost of living over time, and other indexes are used to compare living costs among areas. People who ask us for CPI data so they can compare what it costs to live in different cities are often surprised to learn that the CPI cannot answer that question. It could be, for example, that although prices are rising twice as fast in City A as in City B, it costs less to live in City A.

We in the Research and Statistics Office often are put to the test answering all manner of question pertaining to price changes, living costs and budgets. The following are some of the more frequently asked questions and the answers to them.

**Q. I am negotiating a wage settlement. How much has the cost of living gone up in the past year?**

**A.** To answer this we usethe Consumer Price Index, or CPI. The CPI is a reflection of consumer spending habits. As such, it measures prices of a fixed market basket of goods and services commonly purchased by American consumers. The change in the costs of these goods and services is often referred to as the cost of living, but technically, the CPI measures change in consumer prices.

There are two basic CPI indexes. The older index, CPI-W, represents purchases made by urban wage earners and clerical workers. Introduced over 75 years ago, the CPI-W was begun for use in wage negotiations, and is representative of the buying habits of about one-third of the U.S. population. The need for a broader index prompted the development of the second index. This all-urban CPI-U was introduced in 1978, and reflects the buying habits of 81% of the U.S. population.

Both measures are fairly current, released between the 15th and 25th of the following month. They are not revised afterwards, so you don't have to call back if you only want data for a particular month. In the year ending April 1991, the CPI-U rose 4.9% and the CPI-W rose 4.7%. Page 5 of the quarterly Review provides a history of these annual changes.

**Q. Which index is best?**

**A.** Both indexes are accurate for the usage intended. Most frequently quoted in news stories is the CPI-U because it covers a larger population. Nevertheless, we still receive requests for the CPI-W. We have both on hand.

If you have not been using either index in the past we recommend using the CPI-U. If you don't know which index you have been using, we probably can match your index numbers to one of the series.

**Q. Can I get the CPI for my area instead of using a national figure?**

**A.** Maybe. CPIs are available for 28 metropolitan areas including Minneapolis-St.Paul. If you live there, you can use that figure. But you may not want to for two reasons. First, not all local CPIs are released monthly. The one for the Minneapolis St. Paul area is estimated only twice

per year, which makes assessing changes for a given month difficult. Secondly, local CPIs rely on a small sample which renders them more volatile than the nation's. Figure 1 shows this. There are no CPIs for areas smaller than major metro areas which is another reason to stick with the national CPI.

**Q. How can I calculate the percent change in the CPI?**

**A.** A simple two step process does it. The percent change between two periods, say March 1989 and March 1991, is derived by first dividing the current index by the previous index, subtracting 1.0 from from the answer, and then moving the decimal point two digits to the left. For example:

Step 1. March 1991 index 135.0 divided by March 1989 index 122.3 = 1.104

Step 2. Subtract 1.0 from the left of the decimal, and move the decimal two digits to the left or, 1.104 = 10.4%.

It doesn't matter whether you use the 1967 base equaling 100, or the 1982-84 base equaling 100 as long as you use the same reference period throughout. The conversion factors are:

1967 U.S. index = 1982-84 index x 2.995
1982-84 U.S.index = 1967 index x 0.334
1967 M-StP index = 1982-84 index x 3.142
1982-84 M-StP index = 1967 index x 0.318

(Example: U.S. All Items 1982-84 index for March 1991 = 135.0. 135.0 x 2.995 = 404.3, the 1967 index).

**Q. Besides computing price increases, what else is the CPI used for?**

**A.** There are many applications for the consumer price index. Representatives of business and labor may use changes in the CPI to negotiate wage adjustments. Lessees and leasers may likewise use the CPI to adjust rents periodically. Many government transfer payments, such as Social Security and military pensions, are often tied directly to CPI increases. Other social costs such as child-support and alimony payments are often adjusted by the CPI. CPIs are also used as a deflator of earnings to measure real earnings over time. The sidebar on the next page shows how to convert the purchasing power of yesterday's dollars into today's, or today's into yesterday's.

Figure 1

U.S. and Mpls-St. Paul CPI Changes Differ Most of the Time

| | % Change From Previous Year in CPI-U | | Change in Inflation From Previous Year | | Major Difference? |
|---|---|---|---|---|---|
| Year | M-St. P | U.S. | M-St. P | U.S. | |
| 1979 | 11.3 | 11.3 | | | |
| 1980 | 11.4 | 13.5 | 0.1 | 2.2 | Yes |
| 1981 | 12.3 | 10.3 | 0.9 | -3.2 | Yes |
| 1982 | 9.9 | 6.2 | -2.4 | -4.1 | Yes |
| 1983 | 2.2 | 3.2 | -7.7 | -3.0 | Yes |
| 1984 | 3.6 | 4.3 | 1.4 | 1.1 | No |
| 1985 | 3.8 | 3.6 | 0.2 | -0.7 | Yes |
| 1986 | 1.3 | 1.9 | -2.5 | -1.7 | No |
| 1987 | 3.0 | 3.6 | 1.7 | 1.7 | No |
| 1988 | 5.0 | 4.1 | 2.0 | 0.5 | Yes |
| 1989 | 4.1 | 4.8 | -0.9 | 0.7 | Yes |
| 1990 | 4.1 | 5.4 | 0.0 | 0.6 | Yes |

**Q. If the CPI measures price changes for a market basket of goods and services, what items are measured, and is there much difference in the price changes of these items?**

**A.** The market basket has 382 items which represent all goods and services purchased for day to day living by urban consumers: food, housing apparel, transportation, health care, entertainment, and all other. Buying habits are

periodically surveyed to keep the market basket composition and index weights up to date. This is done through the Consumer Expenditure Survey, a diary of consumer expenditures for small frequently purchased items, and an interview survey for items people recall easily.

Expenditure Survey data is one way to develop a typical budget for different types of consumer unit characteristics (e.g. income level, age of homeowner or renter, number of persons in unit, region, occupation). Expenditure data for 1989 is published in a news release from the BLS.

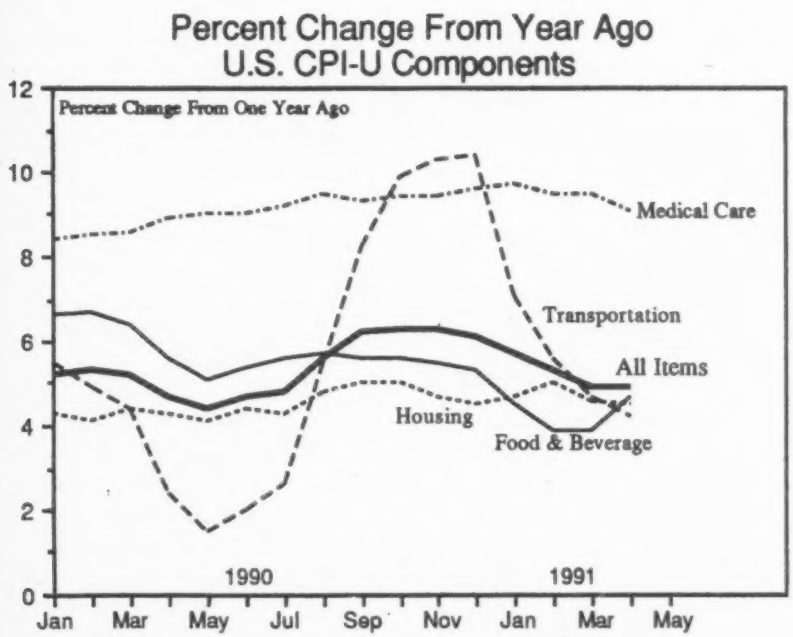
Each month, BLS personnel price component items from thousands of stores. Figure 2 shows how prices have varied for four major components during the past year. Medical care consistently grew fastest, while transportation (including gasoline), was most volatile. The overall index fluctuates less than these two components, however, because medical care expenditures account for only about 5% of expenditures, and gasoline about 3.5%. Housing accounts for the highest share of expenditures.

**Sports fans carp** about the salaries some of today's pro athletes can command. Baseball's Kirby Puckett, for example, makes a nifty three million a year. Babe Ruth, probably the greatest pitcher-hitter combination ever and one of the all-time greats, never earned more than the $80,000 he received in 1930.

But times were different then. A nickel bought a beer, and a new car might cost $800 to $900. If Babe's salary was translated into today's purchasing power, how would it compare to Puckett's?

With 1967 = 100, the CPI in 1930 was 50.0. In 1990 it was 384.4. Dividing 50 into 384.4 tells us that a 1930 dollar bought $7.69 worth of today's goods and services. That means Babe's $80,000 would be worth $615,040 or slightly more than one-fifth what Puckett makes.

Figure 2

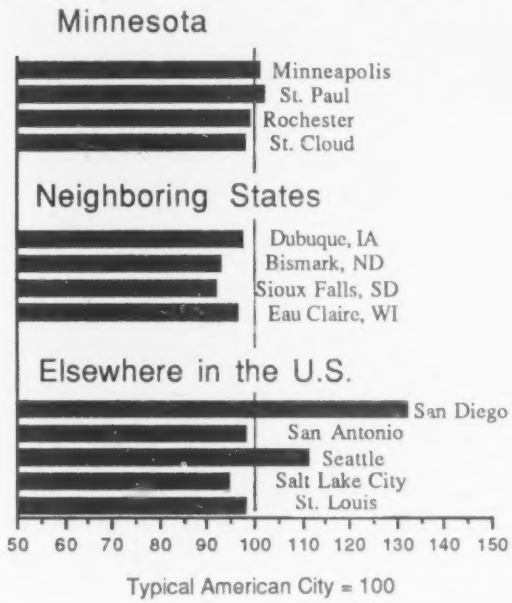



**Q. What about using CPIs to identify areas with the lowest cost of living?**

A. Local CPIs do not reflect differences in the level of living costs between urban areas. A local CPI measures the rate of change in the costs of goods and services in that local area. An example shows how. If in area A housing costs were $100,000 and in area B, $200,000 in the base year, the housing index for each area would be set at 100. If, over time, housing costs in both areas increase $25,000,

Figure 3

Variation in Cost of Living Around the U.S.




area A's index would rise to 125 (a 25% increase in the housing component), while area B's index would rise to 112.5 (a 12.5% increase). Concluding that housing costs are higher in area A than in area B is wrong. The correct conclusion is that while housing costs are increasing faster in area A, average costs are still less in area B. That same reasoning extends to general living costs.

**Q. I'm looking for a job in other cities. How then can I compare living costs among areas?**

**A**. No government agency comprehensively compares living cost levels among areas. The American Chamber of Commerce Researchers Association (ACCRA) produces the Inter-City Cost of Living Index. It measures prices of consumer goods and services in participating cities. Up to 293 areas are represented, and the information is updated quarterly.

The average of the areas surveyed is indexed at 100 to provide a standard to compare to. The ACCRA index is a point in time measure, and therefore, doesn't capture inflation. Because the number of items priced is rather limited (taxes, for example, are excluded), differences of three or fewer whole index points between cities are not considered significant. As with the CPI, the All-Items index is available for major components of living costs--food, housing, utilities, transportation, health care and miscellaneous items. That enables you to tell which items are relative bargains and which are budget busters. It is available at some librarys such as the Hill Reference Library (612) 227-9531.

**Q. I might have more questions in the future? Who do I call?**

**A. *BLS CPI Hotline***: (612) 290-3996 24-hour recorded message with current U.S. and Minneapolis-St. Paul CPI-U and CPI-W, 1982-84 and 1967 base, percent change from month and year ago.

***BLS CPI Detail***: (202) 523-1239 24-hour recorded message with current U.S. data and narratives on CPI-all items and six component categories. This telephone number also has a menu of other BLS data such as unemployment rate and Employment Cost Index.

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***Monthly Labor Review*** : This monthly publication of the BLS contains a section called Current Labor Statistics that includes monthly and annual average CPI-U and CPI-W for all items, and detailed components for the U.S., Regions and Areas and selected metropolitan areas. Available at libraries or annual subscription of $24 through Superintendent of Documents, GPO, Washington D.C. 20402.

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*By Bruce Steuernagel, Don Hilber and Ron Daws*

# Policing Our Projections

*New job figures for 1989 reveal that 90% of the projected job gain between 1986 and 1993 has already occurred. It could mean we under-projected, or, that job growth is slowing.*

We in the Research and Statistics Office periodically project future employment. In ***Minnesota Employment Outlook to 1993***, using a 1986 base, we published employment projections to 1993 for 424 occupations and 63 key industries. Now, we are in the process of projecting out to 1996 from newly calibrated 1989 data. Using the 1989 employment estimates, we can get a pretty good fix on how well our 1986 to 1993 predictions are faring. Rather than make detailed comparisons (because sampling differences and coding changes make this difficult), we concentrate on the major groupings, comparing the changes that have already taken place against the 1986-1993 outlook, and look at whether the relative growth among groups was similar to what was forecasted.

The basic number in our estimating model is the figure for total employment in Minnesota (See Figures 1, 2, or 3). If we insert the new 1989 estimate of total employment into the 1986 to 1993

Figure 1: MINNESOTA INDUSTRY PROJECTIONS, 1986-1993, WITH 1989 EMPLOYMENT

| Industry Group | 1986 Estimated Employment | 1989 Estimated Employment | 1993 Projected Employment | % of '86-'93 Change Reached by 1989 | 1986-1989 % Change |
|---|---|---|---|---|---|
| TOTAL, ALL INDUSTRIES | 2,127,080 | 2,342,160 | 2,369,180 | 89% | 10% |
| Agriculture, Forestry, and Fishing | 101,890 | 107,170 | 89,460 | * | 5 |
| Mining | 7,320 | 7,650 | 6,940 | * | 5 |
| Construction | 74,890 | 79,070 | 83,080 | 51 | 6 |
| Manufacturing | 368,830 | 398,900 | 399,910 | 97 | 8 |
| Transportation, Communication, and Utilities | 98,080 | 105,030 | 103,900 | 119 | 7 |
| Trade | 470,740 | 516,650 | 534,650 | 72 | 10 |
| Finance, Insurance, and Real Estate | 116,350 | 123,300 | 131,580 | 46 | 6 |
| Services | 592,630 | 682,210 | 694,820 | 88 | 15 |
| Government | 139,450 | 148,850 | 151,550 | 78 | 7 |
| Nonagric. Self-Employed and Unpaid Family Workers | 156,910 | 173,330 | 173,290 | 100 | 10 |

*Increased, instead of decreased as projected.

Figure 2: MINNESOTA 1986-1993 PROJECTIONS BY OCCUPATIONAL GROUP, WITH 1989 EMPLOYMENT

| Occupational Category | 1986 Estimated Employment | 1989 Estimated Employment | 1993 Projected Employment | % of '86-'93 Change Reached by 1989 | 1986-1989 % Change |
|---|---|---|---|---|---|
| TOTAL, ALL OCCUPATIONS | 2,127,080 | 2,342,160 | 2,369,180 | 89% | 10% |
| Managerial and Administrative | 142,920 | 168,700 | 163,840 | 123 | 18 |
| Professional, Paraprofessional, and Technical | 402,230 | 440,680 | 468,650 | 58 | 10 |
| Sales and Related | 246,120 | 274,160 | 284,900 | 72 | 11 |
| Clerical and Administrative Support | 365,860 | 404,190 | 394,420 | 134 | 10 |
| Service | 341,050 | 374,280 | 391,670 | 66 | 10 |
| Agriculture, Forestry, and Fishing | 102,990 | 108,410 | 91,560 | * | 5 |
| Precision Production and Repair | 220,590 | 238,430 | 242,800 | 80 | 8 |
| Operator, Fabricator, and Laborer | 305,310 | 333,320 | 331,330 | 108 | 9 |

*Increased, instead of decreased as projected.

projection, we find that 89 percent of the growth has already occurred even though 1989 is only three years into the 7-year projection. But, because of the cyclical nature of the economy and a probable slowdown in labor force growth, the early 1990s probably won't see the big increase in employment the late 1980s did. If that scenario comes true, then most of the growth should have taken place by 1989.

We can view projections in three ways: by industry, by occupation, and by region. Looking at the industry side (see Figure 1), several transportation and manufacturing industries, especially nondurables, have 1989 estimated employment skewed to the high side, meaning that overall growth here was more than originally expected. One significant exception is office and computing machine employment which was expected to grow when, in fact, it declined over the first three of the seven years. Looking at finance/insurance/ real estate and construction, we see that their employments have grown relatively slower than expected. For the two major industry groups agriculture/ forestry/fishing and mining, we projected a decline in employment between 1986 and 1993, but between 1986 and 1989 jobs actually increased. Nevertheless, employment in all the remaining industry groups grew faster than these last two, as expected. We predicted the services industry would grow fastest and add the most jobs, and between 1986 and 1989 it did. Much like total employment, 88 percent of the 1986-1993 service job growth had taken

*(Continued on back cover)*

Figure 3: MINNESOTA REGIONAL 1986-1993 PROJECTIONS, WITH 1989 EMPLOYMENT

| Region | 1986 Estimated Employment | 1989 Estimated Employment | 1993 Projected Employment | % of '86-'93 Change Reached by 1989 | 1986-1989 % Change |
|---|---|---|---|---|---|
| Northeast | 120,280 | 130,770 | 126,400 | 171% | 9% |
| Northwest | 177,350 | 194,330 | 187,360 | 170 | 10 |
| Central | 180,680 | 204,010 | 204,720 | 97 | 13 |
| Southwest | 171,810 | 182,560 | 176,790 | 216 | 6 |
| Southeast | 189,220 | 210,760 | 203,350 | 152 | 11 |
| Twin Cities | 1,287,740 | 1,419,730 | 1,470,580 | 72 | 10 |
| Total State | 2,127,080 | 2,342,160 | 2,369,180 | 89 | 10 |

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place by 1989.

Let's look now at employment by occupation (See Figure 2). Between 1986 and 1989, two groups grew significantly faster than expected, already surpassing their 1993 projected values in 1989. These are managerial/administrative and clerical/ administrative support occupations. One reason for the underestimates is we had expected more positions to be cut as firms scrambled to increase productivity. Of all the groups, managerial/ administrative grew by far the fastest. Growth rates among the other groups converged. Professional/paraprofessional/technical occupations, which was projected to grow fastest, was the furthest from reaching its 1993 projection, though it did (by close margin) add the most new jobs.

We also made a 1993 employment assessment for six regions in Minnesota (See Figure 3). As shown, employment in the Twin Cities is well below the projection, while Greater Minnesota, especially in regions forecasted to grow slowest, has grown faster than expected. Yet, among the outstate regions, the ranking by percentage growth between 1986 and 1989 is identical to the ranking projected between 1986 and 1993.

Looking at these 1986 to 1989 changes, it appears that our employment outlook to 1993 was probably better in forecasting relative growth than it was absolute growth. In other areas mentioned above, we simply missed the mark. It is too soon to make definite judgments, as we have only seen three of the seven years, but we do know that projections get outdated--unforeseen events can make employment grow much differently than originally anticipated. Our aim in projecting employment is to indicate as best we can which directions various occupations or industries are going, and how they will grow or decline relative to each other. Right now we're working on an updated ***Minnesota Employment Outlook to 1996***. It will be available from the Research and Statistics Office late this summer or in early fall, with regional outlook publications to follow.

*By Sue Borgfelt and Tom Nash*

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